

Message Text

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ACTION EB-07

INFO OCT-01 IO-13 ISO-00 AF-08 ARA-06 EA-07 EUR-12 NEA-10

L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06 AGRE-00

AID-05 CIAE-00 COME-00 INR-07 LAB-04 NSAE-00 OIC-02

SIL-01 STR-04 TRSE-00 CIEP-01 CEA-01 SS-15 NSC-05

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R 081828Z OCT 76

FM USMISSION GENEVA

TO SECSTATE WASHDC 2824

INFO ALL OECD CAPITALS 132

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LIMITED OFFICIAL USE SECTION 1 OF 2 GENEVA 7934

E.O. 11652: N/A

TAGS: UNCTAD, EGEN

SUBJECT: UNCTAD TDB: RESULTS OF FIRST WEEK

REF: (A) GENEVA 7825

1. BEGIN SUMMARY: SIXTEENTH SESSION OF UNCTAD TRADE AND DEVELOPMENT BOARD (TDB) GOT OFF TO A SLOW START, AS GROUP OF 77 IS TAKING SOME TIME TO GET ORGANIZED AND HAS NOT YET DEVELOPED A COHERENT GROUP POSITION ON MOST ISSUES BEFORE THIS BOARD. IN CONTRAST, WORK IN GROUP B IS MOVING ALONG WELL UNDER THE ABLE LEADERSHIP OF WILLIAM MONTGOMERY OF CANADA; FOUR WORKING GROUPS ARE IN FULL SWING AND POSITIONS ARE AGREED OR BEING DEVELOPED ON ALL ISSUES. SESSIONAL COMMITTEES I AND II BEGAN IN LOW KEY FASHION THIS WEEK, AND A CONTACT GROUP WAS ESTABLISHED TO BEGIN CONSIDERATION OF TRADE, DEBT AND FINANCIAL ISSUES EARLY NEXT WEEK. IT NOW APPEARS THAT THE MOST DIFFICULT ISSUES AT THIS

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TDB WILL BE A) TERMS OF REFERENCE FOR THE AD HOC

INTERGOVERNMENTAL COMMITTEE ON COMMODITIES; B) CERTAIN FINANCIAL AND RESOURCE TRANSFER ISSUES, PARTICULARLY THE TIMING OF A TDB MINISTERIAL SESSION WHICH COULD PRIMARILY FOCUS ON DEBT ISSUES; AND C) CERTAIN INSTITUTIONAL ISSUES. END SUMMARY.

2. AD HOC INTERGOVERNMENTAL COMMITTEE ON COMMODITIES. SEE SEPTTEL.

2. DEBT AND FINANCE. ANALYSIS DEBT ISSUE IN REFTEL A STILL HOLDS, WITH PROCEDURAL DECISION ON MINISTERIAL AND EXPERTS GROUP DATES LIKELY TO POSE MAJOR DIFFICULTY. STILL NOT REPEAT NOT CLEAR WHETHER G-77 WILL PRESS SUBSTANCE OF DEBT ISSUE CONTAINED NAIROBI RESOLUTION 98, BUT CONSENSUS DEVELOPING IN GROUP B THAT IN NO EVENT CAN WE DEBATE SUBSTANCE THIS PARAGRAPH AND BEST WAY TO FINESSE BOTHERSOME LANGUAGE IS TO STATE THAT THERE IS CONTRADICTION BETWEEN NAIROBI DEBT RESOLUTION 94 (WITH REFERENCE TO APPROPRIATE EXISTING FORA) AND RESOLUTION 98 REFERENCE TO TDB, AND THEREFORE 94 OVERRIDES. (INCIDENTALLY BEST INTELLIGENCE OBTAINED HERE IS THAT TROUBLESOME STATEMENT IN RESOLUTION 98 WAS DISCUSSED IN NAIROBI GROUP B CAUCUS WITHOUT US PRESENT, THEN DISTRIBUTED TO ALL GROUP B MEMBERS, AND LATER READ ALOUD DURING FINAL PLENARY SESSION.)

4. RE DEBT AND MINISTERIAL DATES, INTENSIVE BILATERAL ACTIVITY BY U.S. DELEGATION IS BRINGING OTHER IN GROUP B TO CONSENSUS THAT WE REJECT COREA PROPOSAL FOR MAY DATES AND INSIST ON DATES LATER IN 1977. (US DEL TRIED 1978 DATE WITH GROUP B BUT IN VIEW EXPLICIT REFERENCE TO 1977 IN RESOLUTION 94, NO OTHER GROUP B MEMBER SUPPORTED THIS IDEA.) ON RELATED QUESTION OF WHETHER AGENDA FOR 1977 MINISTERIAL BE EXCLUSIVELY DEBT OR MERGED IN BROADER AGENDA, EUROPEANS ARE OF VARYING VIEWS AT THIS POINT, AND US DEL IS PRESSING FOR BROADER AGENDA CONSISTENT WITH OBJECTIVE THAT THIS BE SINGLE TDB AT MINISTERIAL LEVEL BEFORE UNCTAD V; HOWEVER WE WOULD HOPE TO POSTPONE SPECIFICATION OF AGENDA TO NEXT SPRING. ON TIMING OF EXPERTS GROUP LIMITED OFFICIAL USE

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MEETING, GERMANY AND SEVERAL OTHERS TAKE VIEW THAT PRICE WE MAY HAVE TO PAY FOR LATER DATE ON MINISTERIAL IS ACCEPTANCE OF EXPERTS GROUP MEETING IN SPRING. WE ARE RESPONDING THAT THIS INAPPROPRIATE AND PREMATURE SINCE ONLY FUNCTION OF EXPERTS GROUP IS TO PREPARE FOR MINISTERIAL.

5. GROUP B HAS NOW ESTABLISHED FINANCIAL WORKING GROUP

TO DEVELOP JOINT POSITIONS ON DEBT AND ALL OTHER FINANCIAL AND MONETARY ISSUES ON TDB AGENDA. IT APPEARS ONLY OTHER ISSUE THAT MIGHT RECEIVE SUBSTANTIVE DISCUSSION IS TRANSFER OF RESOURCES, WHICH WAS NOTED IN COREA'S OPENING STATEMENT. MOST GROUP B MEMBERS FEEL SUCH DISCUSSION WOULD NOT REPEAT NOT BE DESIRABLE, BUT THAT IT MAY BECOME INEVITABLE SINCE WE WILL NOT BE DISCUSSING DEBT AND OTHER FINANCIAL ISSUES IN SUBSTANCE. CONTACT GROUP WITH G-77 LIKELY TO BEGIN REVIEW OF DEBT AND OTHER FINANCIAL ITEMS AS EARLY AS NEXT TUESDAY, AND CONTINUE THROUGH REMAINDER OF WEEK AND POSSIBLY INTO FINAL WEEK OF MEETING. IN VIEW THIS ACTIVITY, DELEGATION REQUESTS DEPARTMENT SEND QUALIFIED STATE OR TREASURY OFFICER TO ASSIST DELEGATION IN THESE ACTIVITIES. SUCH ADDITIONAL MEMBER OF DELEGATION SHOULD ARRIVE MONDAY, OCTOBER 11 OR TUESDAY AT LATEST AND BE PREPARED IF NECESSARY TO STAY THROUGH END OF TDB MEETING.

6. INSTITUTIONAL ISSUES. IN SESSIONAL COMMITTEE I, WHICH MET FIVE TIMES DURING THE FIRST WEEK, GROUPS ENGAGED IN A PRELIMINARY EXCHANGE OF VIEWS ON NEW INSTITUTIONAL ARRANGEMENTS IN THE PERMANENT MACHINERY OF UNCTAD. ON QUESTION OF ESTABLISHING AN APPROPRIATE MECHANISM TO EVALUATE PROGRESS IN ACHIEVING NIEO AND CERDS, CONSENSUS APPEARS TO BE DEVELOPING THAT THIS EVALUATION COULD BE CARRIED OUT IN CONJUNCTION WITH IDS REVIEW AND APPRAISAL AT BIENNIAL SPRING SESSIONS OF THE TDB. ON QUESTION OF APPROPRIATE ARRANGEMENTS TO KEEP INTERRELATED TRADE AND FINANCIAL PROBLEMS UNDER REVIEW, G-77 ANNOUNCED OCTOBER 8 THAT IT WAS INCLINED IN PRINCIPLE TO SUPPORT OPTION PROPOSED BY SECRETARIAT IN PARAGRAPH 27 OF TD/B/622, WHICH WOULD REQUEST THE SECRETARY GENERAL TO KEEP THE PROBLEM LIMITED OFFICIAL USE

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UNDER CONSTANT REVIEW, WITH ASSISTANCE OF HIGH-LEVEL GOVERNMENTAL EXPERTS AS APPROPRIATE, AND TO AGREE THAT PROBLEMS IDENTIFIED AS URGENT BY SECRETARY GENERAL IN CONSULTATIONS WITH MEMBER STATES MAY BE CONSIDERED AT BRIEF SPECIAL SESSIONS OF THE BOARD CONVENED AT SHORT NOTICE. GROUP B COORDINATOR FOR SESSIONAL COMMITTEE I (ALLEN OF U.S.) ANNOUNCED THAT GROUP B THINKS PRESENT INSTITUTIONAL ARRANGEMENTS ALREADY PROVIDE ADEQUATE AND EFFECTIVE MEANS TO REVIEW INTERRELATED PROBLEMS, AND POINTED OUT THAT MEMBERS ALREADY HAVE SUFFICIENT AUTHORITY TO CONVENE SPECIAL SESSIONS OF THE BOARD UNDER RULE 4 OF THE RULES OF PROCEDURE. IN GROUP B CAUCUS, OCTOBER 8, ALL DELEGATIONS THOUGHT THEY COULD EVENTUALLY ACCEPT OPTION DESCRIBED IN PARAGRAPH 27 OF TD/B/622, ALTHOUGH

THE U.S., AUSTRALIA AND U.K. SAID THEY WOULD HAVE
SOME DIFFICULTY SUPPORTING PROPOSAL TO APPOINT HIGH
LEVEL GOVERNMENTAL EXPERTS TO ASSIST THE UNCTAD SYG.

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INFO ALL OECD CAPITALS 133

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7. DISCUSSION ON TERMS OF REFERENCE FOR NEW
COMMITTEE ON ECONOMIC COOPERATION AMONG DEVELOPING
COUNTRIES HAS BEEN DEFERRED UNTIL NEXT WEEK. G-77
HAS INFORMALLY INDICATED THAT IT WANTS TERMS OF
REFERENCE BASED ON PROVISIONS OF UNCTAD IV RESOLUTION 92.
IN A STATEMENT PREPARED FOR DELIVERY NEXT WEEK,
GROUP B COUNTRIES WILL STATE THAT THE NEW COMMITTEE
SHOULD, INTER ALIA, HAVE AT ITS DISPOSAL FULL INFOR-
MATION ON ACTIONS TAKEN AND PLANNED BY LDCS IN
PURSUANCE OF THEIR PROGRAM OF ECONOMIC COOPERATION,
AND SHOULD REVIEW AND APPROVE MEASURES TAKEN BY THE
UNCTAD SECRETARIAT TO SUPPORT AND ASSIST
ECONOMIC COOPERATION AMONG LDCS. THIS MAY BECOME MOST
DIFFICULT ISSUE IN INSTITUTIONAL FIELD.

8. IN A STATEMENT TO SESSIONAL COMMITTEE I ON OCTOBER 8,

STEIN ROSSEN, DEPUTY SECRETARY GENERAL OF UNCTAD SAID THAT HE DID NOT EXPECT THIS BOARD TO MAKE ANY FINAL DECISIONS ON RATIONALIZING AND REORGANIZING LIMITED OFFICIAL USE

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THE MAIN UNCTAD COMMITTEES, BUT HOPES THAT GOVERNMENTS WILL BE PREPARED TO TAKE ACTION ON THIS AT NEXT YEAR'S SEVENTEENTH TDB. ROSSEN SAID, HOWEVER, THAT HE HOPED DECISIONS COULD BE MADE AT THIS BOARD ON THE FUTURE OF THE ADVISORY COMMITTEE TO THE BOARD AND THE COMMITTEE ON COMMODITIES, AND ON THE SECRETARIAT'S PROPOSAL TO MAKE UNCTAD QUOTE A FOCAL POINT WITHIN THE UNITED NATIONS WHICH COULD DEAL WITH ECONOMIC, COMMERCIAL AND RELATED ASPECTS OF WORLD TRANSPORT IN RELATION TO INTERNATIONAL TRADE AND DEVELOPMENT. UNQUOTE.

ACTION REQUESTED: USDEL WOULD APPRECIATE DEPARTMENT'S COMMENT ON THE SECRETARIAT'S TRANSPORT PROPOSAL, WHICH IS DESCRIBED IN PARAGRAPH 44 OF DOCUMENT TD/B/622.

9. COREA STATEMENT. UNCTAD SYG COREA OPENED TDB SUBSTANTIVE DEBATE WITH ONE AND ONE HALF HOUR STATEMENT OCTOBER 5 IN WHICH HE RECALLED RESULTS OF NAIROBI TDB. CONCERNING NAIROBI, THIS OVERALL ASSESSMENT WAS THAT SUCCESS OR FAILURE OF THE MEETING WOULD BE DETERMINED BY RESULTS OF NEGOTIATIONS IT HAD INITIATED. WHILE NAIROBI HAD CERTAINLY ADVANCED INTERNATIONAL CONSIDERATIONS OF SEVERAL ISSUES, PROOF OF PUDDING WOULD BE IN THE EATING. HIS PRESENTATION PUT STRESS ON VASTLY INCREASED ROLE OF UNCTAD ON FORUM FOR NEGOTIATIONS, I.E., INDIVIDUAL COMMODITIES, COMMON FUND, TECHNOLOGY CODE, DEBT. CONCERNING PRESENT TDB, HE CONSIDERED IT TO BE BASICALLY HOUSEKEEPING IN NATURE WITH BASIC FUNCTIONS INVOLVING PROCEDURAL FOLLOW-UP TO NAIROBI. ON SUBSTANTIVE ISSUES COMING UP IN UNCTAD, IN ADDITION TO COMMODITIES AND DEBT, HE PUT STRESS ON GROWING IMPORTANCE OF COOPERATION AMONG LDCS. MANILA, COLOMBO AND MEXICO CITY MEETINGS PART OF A CONTINUING AND INTENSIFYING PROCESS. SUBJECT EXPECTED TO LOOM LARGER AND LARGER IN UNCTAD'S PREOCCUPATION. THIS NOT AN ATTEMPT AT AUTARKY ON PART OF LDCS BUT KEY ELEMENT OF STRATEGY FOR DEVELOPMENT ON FINANCE AND DEBT. ON DEBT, NAIROBI RESULTS WERE DISAPPOINTING. DEBT IS NOW BEING DEALT WITH IN CIEC, AND UNCTAD GIVING WHAT LIMITED OFFICIAL USE

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HELP IT CAN. ALL HOPE FOR GOOD RESULTS, BUT UNCTAD HAS TO MAINTAIN OWN CONCERN. RECALLED NAIROBI DECISION FOR TDB MINISTERIAL CONSIDERATION IN 1977 OF ALL REPEAT ALL ACTION TAKEN ON DEBT SUBSEQUENT TO NAIROBI. CONCERNING OTHER ASPECTS OF UNCTAD PROGRAM, COREA NOTED GREATLY INCREASED WORK PROGRAM, PARTICULARLY IN COMMDXQPAES AREA, AND CALLED FOR SUPPORT FOR UNCTAD BUDGET PROPOSALS.

10. MANUFACTURERS RESOLUTIONS. RESOLUTIONS ON EXPORT SUBSIDIES, COUNTERXLWQQIO AND ANTI-DUMPING DUTIES, ADJUSTMENT ASSISTANCE, SAFEGUARDS AND STANDSTILL, WHICH WERE CARRIED OVER FROM NAIROBI AND PRIOR MEETINGS, WILL BE CONSIDERED IN CONTACT GROUP OCTOBER 11. INDICATIONS ARE THAT LDCE WILL NOT PUSH TEXTS, AND THERE WILL BE PROMOT AGREEMENT EITHER TO DISPOSE OF THEM PERMANENTLY OR TO REMAND THEM TO MANUFACTURERS COMMITTEE FOR CONSIDERATION IN 1978 (AFTER END OF TOKYO ROUND).

11. SESSIONAL COMMITTEE II (EAST/SOUTH RELATIONS). SS II HELD FIRST TWO OF EIGHT SCHEDULED MEETINGS ON EAST-SOUTH TRADE AND ECONOMIC RELATIONS. FABIAN (HUNGARY) AND GLOVER-AKPEY (GHANA) WERE ELECTED AS CHAIRMAN AND VICE-CHAIRMAN-CUM-RAPPORTEUR RESPECTIVELY. DISCUSSION OFF TO VERY SLOW START. EXCEPT FOR GDR REP WHO MADE BRIEF STATEMENT EXTOLLING PAST AND PLANNED PROGRESS IN HIS OWN COUNTRY'S TRADE RELATIONS WITH LDCE, GROUP D REPS HAVE BEEN CONSPICUOUSLY SILENT. ON G-77 SIDE ONLY JAMAICA, EGYPT BRAZIL AND ECUADOR HAVE TAKEN FLOOR THUS FAR BUT THEIR STATEMENTS, WHICH WERE GENERAL AND RAMBLING, INDICATE THAT G-77 HAS NOT YET DEVELOPED CONCRETE NEGOTIATING OBJECTIVES LEADING TO PROGRESS IN IMPLEMENTING RESOLUTION 95(IV). IN LOW KEY STATEMENT IN WHICH EE'S AND LDC'S WERE EXPLICITLY RECOGNIZED AS THE MAIN PROTAGONISTS, GROUP B SPOKESMAN REAFFIRMED GROUP'S GENERAL SUPPORT FOR RES 95(IV), NOTING THAT LOW EAST-SOUTH TRADE AND AID STATISTICS CLEARLY LEAVE MUCH TO BE DESIRED GIVEN SIZE AND DEVELOPMENT OF EASTERN EUROPEAN ECONOMIES. DEBATE LIMITED OFFICIAL USE

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ON TERMS OF REFERENCE FOR THE INTERGOVERNMENTAL EXPERT GROUPS (RES 95(IV), SECTION VI, PARAS 9(B) AND (11) WHICH SCHEDULED FOR NEXT WEEK WILL PROBABLY AFFORD BETTER OPPORTUNITY FOR COMING TO GRIPS WITH CONCRETE ISSUES THAN CURRENT "GENERAL REVIEW" PHASE.

12. OTHER ISSUES WERE COVERED BY SEPTELS AS FOLLOWS:

TRANSFER OF TECHNOLOGY - GENEVA 7878

UNCTAD'S INVOLVEMENT IN ACTIVITIES NOT OPEN TO ALL

MEMBERS - GENEVA 7845

UNCTAD BUDGET - GENEVA 7877

UNESCO RESOLUTION - GENEVA 7868

VIETNAM CREDENTIALS - GENEVA 7798 CATTO

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